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Deriving Collaborative Business Model Design Requirements from a Digital Platform Business Strategy

Frank Berkers^{1,2}, Oktay Turetken², Baris Ozkan², Anna Wilbik², Onat Ege Adali²,
Rick Gilsing², Paul Grefen²

¹ Netherlands Organisation for Applied Scientific Research (TNO), PO Box 96800, 2509 JE
The Hague, the Netherlands
frank.berkers@tno.nl

² School of Industrial Engineering, Eindhoven University of Technology
PO Box 513, 5600 MB Eindhoven, the Netherlands

Abstract. The widespread deployment of digital technologies has resulted in a hyperconnected context for business organizations. Currently many ventures, both start-ups and incumbents, consider engaging in a Digital Platform Business Strategy to create and capture value in collaborative ecosystems. This type of strategy strongly differs from a conventional Business Strategy in speed, scale, scope and interaction with the ecosystem. Business Models are used to realize a strategy, but little guidance and support exists for the specification of business models realizing a Digital Business Platform Business Strategy. This affects an organization's responsiveness to digital opportunities. To address this gap, this paper proposes a novel method to support the derivation of Business Model Design Requirements from a Digital Platform Business Strategic Objective. The method uses a Catalogue of Strategy Elements as a starting point to generate Subobjectives and Business Model Design Requirement Specification Cards as a structuring tool to facilitate the transformation of these Subobjectives into Business Model Design Requirements. The method is demonstrated using a historical platform case study. We show that our approach generates Business Model Design Requirements in a structured way and in line with Business Strategy. As a positive by-product the method creates options for business model evolution.

Keywords: Digital Business Strategy, Strategic Objectives, Business Model, Digital Platform, Collaborative Network

1 Introduction

Services in the current digital era and Digital Business Models typically depend on online connectivity between organizations and consequently on collaborative business networks [1]. Hyperconnectivity has dramatically expanded the potential applicability of value propositions, as digital technologies can serve for larger masses and different applications with increased speeds “at zero marginal cost”. Increased scale, speed, scope of business and multiple sources of value creation and capture are the key themes

for a Digital Business Strategy [2]. Renowned Digital Platforms, like Amazon, Uber, AirBnB and many others have shown strong growth and gained much attention. Based on their yearly survey, McKinsey concludes that the best economic performers have taken advantage of Digital Platforms [3]. Their growth is attributed to their capability to establish network effects between supply and demand sides interacting on the platform [4]. In this development, many ventures, both digital natives, start-ups and incumbents, consider engaging in a Digital Business Strategy based on a Digital Platform. Digital Platform Business, however, involves a major strategic reorientation: from linear production to an ecosystem, leveraging network effects and transforming to digital business operations and customer centric products and processes. Because a Digital Platform facilitates transactions between multiple user sides, it can be considered to support a collaborative network.

Business Models are often positioned as realizations of strategy [5], whereas the strategy can be expressed as a set of statements that define what is critical or important to achieve to reach the long-term organizational goals [6]. The study by Cortimiglia et al. [7] based on a survey of 138 firms, is one of the very few studies we found studying how firms reconfigure their Business Models during the Strategy Making Process in practice. However, this study and other literature on strategy and business models do not provide a clear explanation or guidance about how Business Model Design takes place in context of the Strategy Making Process. Consequently, our research question of *'How a Digital Platform Business Strategic Objective can be translated into a set of Business Model Design Requirements in a structured way?'* remains as of yet largely unanswered.

This paper proposes and demonstrates a method to guide the derivation of Business Model Design Requirements from a Digital Platform Business Strategic Objective. Accordingly, we investigate the problem and we have developed the initial version of our method based on the literature. We performed a sequence of iterative focus group sessions with a team of researchers in the field. Using a real-life historical business case in the aviation industry, we applied the method to demonstrate its working and evaluate its validity. Our approach contributes to research by establishing a conceptual link from strategic objectives to business models. Furthermore, our approach contributes to practice by providing a method that specifies a set of requirements for business models that are in line with strategy.

In the next section, we introduce the theoretical background on the topics of Business Strategy, Digital Business Strategy and Platform Strategy. We discuss the link between Strategy and Business Models and introduce the definitions for our research. In Section 3, we describe the method that we propose. In Section 4, we demonstrate the working of the method in the context of the SABRE case and discuss the method, its limitations and future research directions. Finally, we conclude this paper in Section 5.

2 Theoretical Background

2.1 Digital Business Strategy

Varadarajan & Clark [8] state *'Business Strategy is generally explained in terms of the achievement and maintenance of competitive advantage in specific product-market domains.'* Key strategic issues identified at the business unit level focus on maintaining and achieving competitive advantage and the integration & coordination of 'Arena, Advantage, Access and Activities'. One of the most commonly accepted Business Strategy tools is the Balanced Scorecard (BSC) [6]. The BSC is a framework that is used to set, link and monitor Strategic Objectives, generally defined as statements that define what is critical or important to achieve to reach the long-term organizational goals and that help to convert a mission statement into more specific plans and projects. In the BSC they are organized in four so-called Strategy Perspectives, being Growth & Learning, Internal Processes, Customer and Financial. Kaplan & Norton state that *'a business strategy can be viewed as a set of hypotheses about cause-and-effect relationships.'* Quezada et al. [9] provide a method for identifying Strategic Objectives. It starts from vision and mission, identification of strategic themes and general Strategic Objectives. Then, based on external/internal (SWOT) analysis, specific objects are specified and aligned with the previous steps. From this a Strategy Map is generated and performance indicators are derived.

Digitalization and the internet do not only affect the business propositions, they also affect the rate of renewal of propositions by incorporation of new technologies. This continuously generates new opportunities and threats in an organization's context. Consequently, this requires organizations to update their strategies and this poses requirements on an organization's dynamic capabilities and its Strategic Decision Making Process [10]. Bharadway et al. [2] define Digital Business Strategy as *'an organizational strategy formulated and executed by leveraging digital resources to create differential value'*. They identify four Digital Business Strategy themes: Scope, Scale, Speed and Sources of Value Creation and Capture. Scope refers to the reach of the IT strategy in the Business Strategy, and it is based on the observation that IT systems can integrate internal processes as well as serve many different customer segments and use resources of ecosystem partners. Scale refers to the capability of scaling up or down the deployment of digital technologies, the use of data, within its own boundaries as well as that of partners. Speed refers to the extent in which an organization can, using digital technologies, learn and improve decision making, accelerate new product launches and dynamically orchestrate its supply chain. Sources of Value Creation and Capture refers to an organization's capability to create and capture value from information, its ecosystem and collaborative network partners, including Platform Business Models.

2.2 Business Models and Platform Business Models

Although the Business Model concept has become highly popular, it has also been subject to discussion and debate. In order to provide clarity on the concept, several authors have made substantial attempts to review the definition and use of the Business Model

[11], [12]. Business Models are considered to provide realizations of strategy [5], [11], yet based on the research by Cortimiglia et al. [7], we see that Business Model Design can be driven from observing opportunities in the market as well as more ‘top-down’ from the Strategy Making Process. Casadesus-Masanell & Ricart [5] indicate that a single strategy can be abstracted into many different Business Models.

Hagiú & Wright [13] define a platform as ‘*an organization that creates value primarily by enabling direct interactions between two (or more) distinct types of affiliated customers*’. Also in other definitions, the support of interactions, often commercial transactions, is central [13]. This interaction between two interdependent parties makes this business model differ to a large extent from more conventional models in which transformation of inputs into outputs is central. In a platform business model, the transactions are based on production of goods and services by multiple other parties. The platform supports these transactions. One of the key characteristics of a platform business model is the possibility to obtain and leverage network effects. Network effects occur if the presence of a certain type or number of customers attracts new customers. Eisenmann et al. [4] distinguish same-side and cross-side effects. In-depth case studies on AirBnB, Etsy and Uber reveal the, often overlooked yet crucial, effort that the platform organization has to put in, in order to achieve acceptance and critical mass for establishing network effects [14]. There are also several synonyms in use, e.g. two- or multi-sided business model or marketplace. Eisenmann et al. [4] distinguish the following four key elements of a Platform Business Model: Supply Side Users (1), ensuring supply of goods or services and Demand Side Users (2), in demand for the supplied goods and services. The Platform Provider (3) is the point of contact for the transaction and provides components (hardware, software, and service modules in an architecture) in most user transactions, rules (including standards, protocols, policies and contracts) to coordinate participants. The last element distinguished, Platform Sponsor (4), designs the components and rules, and determines who may participate in the network as platform providers and users. Oftentimes, this role coincides with the Platform Provider. A key strategic consideration is the extent to which these four elements are open to participation by other parties. A well-known example is the control that Apple store applies to the offered apps, versus the relative lack of control in the Android store. Platform Business Models are often based on digital technologies, although not often explicitly mentioned so.

3 A Method for Deriving Business Model Design Requirements from a Digital Platform Business Strategic Objective

Below, in Section 3.1 our research methodology is briefly described, which we link to definitions in 3.2. In Section 3.3 we present an overview of the method. In Section 3.4, we present a card and in Section 3.5 we introduce the process that guides the derivation Business Model Design Requirements. Section 3.6 introduces the Catalogue of Strategy Elements that help to derive Subobjectives from a Strategy Objective.

3.1 Research Approach

For the development of our method, as presented in this section, we have followed the step-wise Design Science Research approach as proposed in [15]. We briefly detail the distinct steps. The practical problem refers to the increased consideration by organizations to pursue a Digital Platform Business Strategy. The corresponding scientific gap targeted is the lack of guidance in the transformation of a Strategic Objective into Business Model Design Requirements ('problem & solution objectives' step in the DSR approach). The method we developed specifies five steps to take from a given Digital Platform Business Strategic Objective, to deriving Subobjectives, to translating and analyzing a set of forthcoming Business Model Requirements. The process is supported by a set of cards that facilitates the process. The specification of Subobjectives is facilitated by a Catalogue of Digital Platform Business Strategy Elements (see 3.6). We performed a sequence of iterative focus group sessions with a team of researchers in the field of Digital Strategy and Business Models ('development & design' step in the DSR approach). Using a historical case in the aviation industry (see 4.1), we demonstrate the working of the method and evaluate its validity ('demonstration & evaluation' step in the DSR approach) (explained in Section 4).

3.2 Definitions

We consider a Digital Platform Business Strategy as a specialization of the concept of digital business strategy. It is defined as a Business Strategy in which a Platform Business Model, enabled by digital technology, is central. A Digital Platform Business Model is then defined as a specification of the logic of value creation and value capture utilizing a Digital Platform. Similarly, we define a *Digital Platform Strategic Objective* as a Strategic Objective that targets at achieving or maintaining competitive advantage by means of a Digital Platform Business Model. Such Business Model will have to consider, among other aspects, the specific characteristics of Platforms and Digital Strategy, as well as fit within Business Strategy. A *Strategic Subobjective* (SSO) can be defined as a partial Strategic Objective that specifies for a given Strategy Element what should be achieved. A *Strategy Element* can be defined as a commonly recognized dimension or aspect of a (Digital Platform) Business Strategy. An overview is presented in Section 3.6. We refer to the ex-ante inputs for both designing and evaluating a Business Model as *Business Model Design Requirements*.

3.3 Method Overview

The process, depicted in Figure 1, starts from a given Digital Platform Business Strategic Objective. Such SO may result from for example following a SWOT analysis in context of a Strategic Decision-Making Process. In order to be actionable as a set of design requirements, that SO needs to be specified further and transformed into statements that have meaning in the design of Business Models.

Next, 19 Business Model Design Requirement Specification Cards are provided. Each card represents one Strategy Element. On each card, the following three steps are

supported. (1) Detailing of the SO into Strategic Subobjectives, (2) Next, for each SSO, elements of a Business Model that would be affected by the SSO are identified (e.g., customer, activity). (3) These elements are then described in the form of a business model requirement. After the processing of all cards, the requirements are collected and filtered to avoid duplications and redundancy. As a last step the requirements are analyzed and prepared for further processing in the (re-)design of one or more Business Models in the Business Model Portfolio of the business organization.

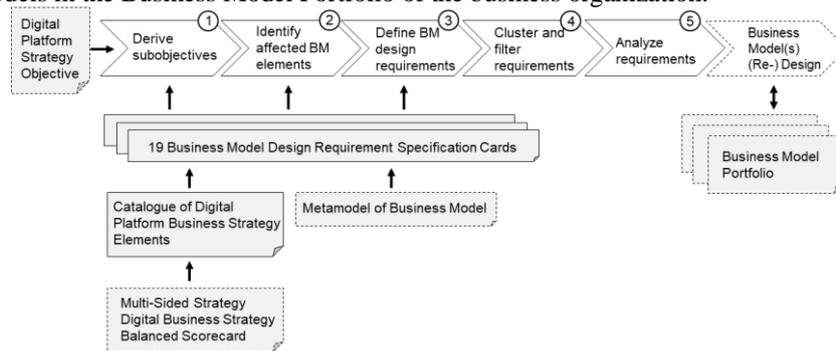


Figure 1: Method to derive business model requirements

The 19 Strategy Elements are captured in the Catalogue of Digital Platform Business Strategy Elements, as described in section 3.6. The transformation of SSO to Business Model Requirements is based on the metamodel of the Business Model that is used by the business organization (see 3.4).

3.4 Business Model Design Requirements Specification Card

A specification card (SC) consists of three blocks: Strategic Subobjectives, Business Model Elements, and Business Model Design Requirements). These correspond with the first three steps of the requirements specification process depicted in **Figure 1**. We discuss the three blocks.

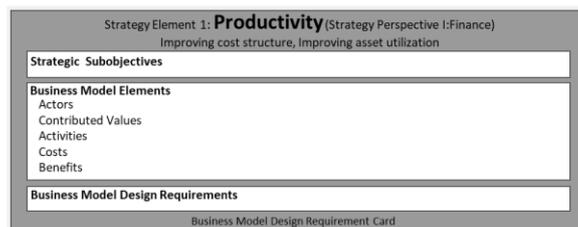


Figure 2: A Business Model Requirement Specification Card for the Strategic Element 1.

Strategic Subobjectives: The top line captures the number and name of the Strategy Element is the name of the Strategic Perspective. The second line describes a set of associated concepts (See Section 3.6). The empty space after the term Strategic Subobjective is the room to describe the SSO as the desired future state of the business of the organization in context of the strategic objective and related to the Strategy Element in

free format. In the case of the SC illustrated above: “*What does the digital platform business strategy imply for a revenue growth strategy?*” One can describe none, one or multiple SSOs.

Business Model Elements: In the left column of the middle part five elements of a Business Model metamodel are depicted. For this card, we deployed the metamodel of the Service-Dominant Business Model Radar (SDBM/R) [16], as we intend to provide requirements for a portfolio of Business Models specified and managed in that format. The SDBM/R is built on Service-Dominant logic [17], of which underlying principles correspond closely to typical digital services supported by Digital Platforms. In the five empty spaces, answers to the following questions can be briefly described: *What does the specified strategic subobjective imply for actors, as contributed value for an actor, as activity for an actor, as benefit for an actor, as cost for an actor?*

Because in the top section there can be multiple Strategic Subobjectives, it is also possible to provide multiple sets of answers.

Business Model Design Requirements: A Business Model Design Requirement specifies the conditions that one or more Business Models in the Business Model Portfolio should meet in order to achieve the formulated Strategic Objective. The identified elements of the middle section and the SSOs specified in the top section are used to formulate a requirement with the following structure to ‘*Actor provides contributed value (to user) by performing activity to get benefit at the expense of cost*’. The number of resulting requirements per Specification Card is not limited and need not be 1:1 corresponding to the number of described SSOs.

3.5 Method Application Process

The process consists of five steps. In the first three steps, Derive Subobjectives (1), Identify affected Business Model elements (2), Define Business Model Design Requirements (3), the 19 SCs as described above, are used one by one. Step 4 and 5 process the cards.

Cluster and filter requirements (4): As each card may capture multiple SSOs and multiple Business Model Requirements, the total resulting set of requirements may overlap. Consequently, all business model requirements are collected, clustered and filtered. Since the requirements have a set structure, the clustering can, e.g., be sorted in a database on the elements actor and activity. This may reveal similar or overlapping activities and value contributions. Then these can be inspected and harmonized. This may result in combining and rephrasing Business Model Design Requirements.

Analyze requirements (5): The purpose of this final step is to understand the coherence of the set of Business Model Requirements on an aggregate level. What does the Strategic Objective imply for the organization in the collaborating network? What activities does the focal organization have to employ? Two ways of analyzing are proposed: i) build a Value Network [18] and ii) cluster activities for the focal organization. A Value Network can be built by mapping all identified Actors as nodes and the Value Contributions as directed arcs. Value Network Analysis allows to inspect how value is created and it also reveals how the Strategic Objective may affect value contributions

beyond the focal organization. The clustering of activities of the focal organization can be done on the following categories:

- initial and preparatory activities, required to prepare for the operation of the business model;
- key operational activities, required to run the Business Model; and
- additional, enhancing activities, that are not necessarily part of the Business Model, but may improve the user experience or target additional segments.

This analysis thus helps to understand what the key activities are and how the business model can potentially be enhanced.

The final set of Business Model Design Requirements is, together with the Strategic Objective, then available to the organization to update the Business Model Portfolio by designing new Business Models and redesign or out phase others to realize the Strategic Objective.

3.6 A Catalogue of Digital Platform Business Strategy Elements

A Platform Business Strategy and a Digital Business Strategy are related but distinct. In order to be able to devise a complete Business Strategy, we integrate these theories, consisting of different elements, into a Catalogue of Strategy Elements (a commonly recognized dimension or aspect of a (Digital Platform) Business Strategy). The Catalogue is composed by confronting and clustering the Business Strategy Perspectives and the underlying elements of the BSC [6], with key dimensions from Digital Business Strategy [2], and key concepts in Platform Business Strategy theory, e.g. [4]. This has led to an update of the original four perspectives of the BSC. Firstly, the Customer Perspective is replaced by a Value Proposition Perspective, as in digital business -and specifically in platform business strategies-, organizations must deal with multiple interdependent segments of supply and demand. Secondly, the Internal Processes Perspective has been renamed as simply the Processes Perspective, since digital business processes typically cross boundaries of organizations. Lastly, an Ecosystem Perspective has been added as a separate perspective, since in digital business, and specifically in Platform Business Strategies, Sources of Value Creation and Capture typically require collaboration in the ecosystem. The Finance Perspective remained unaltered. The Learning & Growth Perspective has kept the same name, although new, digital, elements have been added. Each of five perspectives contains two or more elements, leading to 19 elements in total.

Table 1: Five Strategy Perspectives and nineteen Strategy Elements for Digital Platform Business Strategy expanded from the Balanced Scorecard

Finance: Productivity strategy; Revenue growth strategy
Value Proposition: Supply-side and demand-side customers; Experience; Product/service attributes; Reusability; Intangible values
Ecosystem: Parties and relations; Network effects and critical mass; Governance and competition
Processes: Operations management; Customer management; Innovation; Decision making
(Digital) Learning & Growth: Human Capital; Organization Capital; Digital architecture; Platform evolution; IT infrastructure

In the method we have developed the Strategy Elements of this catalogue are used to specify one or more Strategic Objectives. For brevity, the full list of underlying source elements and the clustering are omitted.

4 Demonstration using the SABRE Business Case

In this section, we demonstrate the method by illustrating the transformation of a single Strategic Objective to SSOs, and eventually to Business Model Requirements in the scope of the SABRE business case.

4.1 Introduction to SABRE

SABRE is an acronym for Semi Automated Business Research Environment. The project started as a joint initiative between American Airlines (AA) and IBM to create the world's first computerized airline reservation system in 1960. In 2000 SABRE was spun off AA and according to Reuters in 2014 it was the largest global distribution systems (GDS) provider for air bookings in North America. A GDS is a computer system supporting transactions between travel industry service providers and travel agencies. Currently, SABRE advertises itself as a travel technology company.

In 1953 the process of airline seat reservation was manual and error-prone, resulting in a mismatch between underutilized aircrafts. In 1964 a computerized system was launched. In 1976 130 travel agent offices used terminals to make passenger reservations directly in the system. This number grew to 130,000 in 1989. Also, in 1976, other airlines were admitted to the system, increasing the value for travel agents as well as other airlines. In the eighties, SABRE added functionalities for finding cheapest prices and allow consumers to access airline, hotel and car rental information and make their own reservations using personal computers. In the end of the eighties SABRE started commercially providing the software solutions to other airlines. In 2000 SABRE became an independent company. Currently SABRE provides several tools on an open online platform, integrating mobile services, pricing tools, reporting tools and booking systems. Overseeing these developments, we see the evolution of an information system, initially as a company internal system, to a system used with specific travel agents, to a platform serving multiple airlines and other travel services, serving both travel agents and customers directly. Based on these developments, we can condense this business case as follows:

- American Airlines spins off the SABRE brand and its system, at that point used by only American Airlines and American Airline affiliated travel agents.
- The SABRE company considers the opportunity to open this system for use by other airlines and other travel agents.
- The Strategic Objective we work with in this example is “*to establish profits with the SABRE platform*”.

4.2 Subobjectives and Business Model Requirements

In this section we present two of the five Strategic Perspectives with examples of the derived Strategic Subobjectives and the forthcoming Business Model Design Requirements.

Value proposition: The subobjective resulting from the combination of the strategic objective and the Strategy Element (4) ‘The experience and customer journey, including transactions; Relationship-Service / Partnership; Customer (demand and supply side) processes; interfaces and interactions’ is:

“Overcome travel agents’ loss of possibility to apply arbitration between airlines’ offerings.”

The forthcoming Business Model Design Requirement is:

“7. SABRE provides an alternative to arbitrage to travel agents by [activity] to get fees at the expense of operational costs.”

Learning & Growth: The subobjectives resulting from the combination of the strategic objective and the Strategy Element (17) ‘Digital architecture, and specifically Platform envelopment’ are:

“Create a new proposition for both airlines (supply) and agents (demand) based on an existing booking platform and existing relations of one airline and travel agents. Use the new position to learn from demand and supply data for airlines.

Leverage American Airlines’ booking system. Build standardized interfaces. The booking system must be made open for use by third parties.”

The forthcoming Business Model Design Requirement is:

“25. SABRE provides [contributed value] (to [user]) by acquiring and opening the booking platform, activating/transferring existing relations, setting up procedures to learn from data and creating standards to get start, increased adoption at the expense of investment.”

4.3 Results of ‘Analyze requirements (5)’

The following table illustrates how a subset of the forthcoming Business Model Design Requirements, using their set structure can be organized in a database.

Table 2: Database structure for collecting requirements

From	Value Contribution	To	Activity	Benefit / Cost
Agent	insight and booking	Traveler	querying and booking	fees and operational costs
Airline	airline services	Traveler	servicing airlines	
American Airlines	booking system (license, rights, code)	SABRE	hand-over	outsource opportunity
SABRE	critical supply and demand	(initial) Airline; (initial) Travel Agent	acquiring initial airlines and agents (on top of AA)	income and position

Value network: Based on this information we can build a Value Network [18]. In the following **Figure 3**, the different actors and the value contributions are depicted.

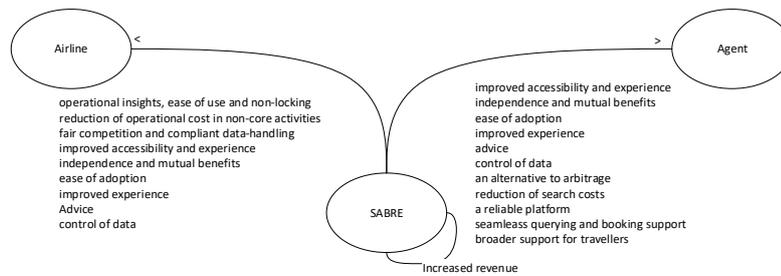


Figure 3: Value network representation of resulting business model requirements (excerpt).

Major actors are depicted in full ellipses. Any (potential) revenue streams (e.g., fees) that were identified in the requirements are not depicted, since neither the form nor quantity are determined. The core of the Business Model is the interaction between the travel agents and the airlines, facilitated by SABRE. To this end, SABRE has a value proposition to both sides of the platform. Other identified actors have been omitted in this view.

Activities: The activities can be taken directly from the database depicted in Table 2. An example of an ‘initial phase’ activity is: ‘Opening the booking platform, creating interfaces’. An example of an ‘operational phase’ activity: ‘Integrate interfaces and cross-organizational processes’. An example of an ‘enhancing’ activity is: ‘Attract car rental offers of car rental providers by integrating and exposing offers’.

4.4 Discussion

Based on one Strategic Objective and 19 Strategy Elements and corresponding Business Model Design Requirement Specification Cards, 29 Business Model Design Requirements were derived. These requirements were expressed in the targeted business model structure and consequently presented as a database, as a Value Network and as categories of activities for the focal company. Below, we discuss the method and its outputs.

The outputs of the method, the Value Network (**Figure 3**) and the clustering of activities provide not only a rather concrete outline of a Business Model, but also potential evolutions, defined by the opportunities to enhance the users’ experience on both sides or address new customer segments. This demonstrates the method’s capability to specify requirements for Business Model Designs that are *in line with strategy*, as this process is driven from a Business Strategy perspective. If the process were driven from a customer or market perspective, it can be expected that different, potentially conflicting, requirements result. Also, in the application of the method, we dealt with a single Strategic Objective. In practice the Strategic Decision Making Process yields multiple concurrent Strategic Objectives. The researchers believe that it would be possible to run the process in parallel for multiple Strategic objectives, until step (4) ‘Cluster and

filter requirements. Such approach would probably also increase the probability of encountering conflicting requirements. This could be remedied by either choosing a dominant requirement, or by taking multiple sets, as scenarios, forward in the Business Model Design phase.

By using the Catalogue of Strategic Elements in deriving the requirements, the method demonstrates that a complete set of strategic considerations *and the corresponding context information* can be taken aboard the specification of requirements. We believe this may avoid design-evaluation iterations.

The presented approach can be characterized as elaborate as the 19 different Specification Cards require substantial processing. However, as the scope of each of the cards is limited to the Strategic Element, the Strategic Objective and the context knowledge of the team, the task per card can be completed quickly.

As a design artefact, the method should be evaluated for its validity, utility and/or efficacy to make sure that it produces valid outcomes, it is considered useful by its intended audience, and it performs effectively and efficiently as intended. This demonstration of the method cannot show that the resulting Business Model Design Requirements, or the forthcoming designs, would be more complete, more effective or efficient than in a conventional situation. As future research, we are planning a set of evaluation activities for this purpose.

5 Conclusion

Digital technologies and hyperconnectivity have paved the way for new services and the pursuit of entirely new Business Strategies. A type of Business Strategy that has gained strong attention recently is the Platform Business Strategy. Such a strategy strongly differs from a conventional Business strategy in speed, scale, scope and interaction with the ecosystem. Although Business Models are often said to realize a strategy, little guidance and support exists for the specification of Business Models realizing a Digital Business Platform Business Strategy. This affects an organization's responsiveness to digital opportunities.

In this paper, we propose a novel method that we have developed to support the specification of Business Model Design Requirements of an organization given its Digital Platform Business Strategy. The method is demonstrated using the SABRE platform business case.

The application of the method demonstrates that following its steps, using the Specification Cards and the underlying Strategic Elements, produces a usable set of Business Model Design Requirements, as well as a resulting Value Network and clustering of activities. This provides the basis for a Business Model design, as well as possible evolutions to enhance the value proposition. Such basis could not be achieved by conventional methods, such as BSC, as these do not provide a transformation to the targeted business model structure. The outcome of the method is in line with the strategy and complete with respect to the Strategic Elements defined in the Catalogue. The latter element allows to take aboard specific and relevant context information into the specification of the business model requirements. This likely avoids design-redesign iterations.

Based on the demonstration and discussion of the method in context of a historical case, we can conclude that the method is usable to derive a set of Business Model Design Requirements in a structured way, given a Digital Platform Business Strategic Objective. A next step indicated by the DSR approach, is to formally evaluate the presented method in a real-life business application.

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